

200642007



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

JUL 24 2006

T:EP:RA:TA2

Re:

Company =

This letter constitutes notice that a waiver of the minimum funding standard for the plan year ending June 30, , has been granted for the above-named pension plan subject to the following conditions:

- (1) To the extent that contributions are deductible, the Company makes 49 monthly contributions to the Plan of \$ each, with the first installment due by June 15, and the last such installment due by June 15, ;
- (2) The Company makes all remaining contributions to the Plan in amounts sufficient to meet the minimum funding standard for the Plan for the plan years beginning July 1, , through , by March 15, through (without applying for a waiver of the minimum funding standard); and
- (3) The Company provides proof of payment of all contributions described above to of this office, either by fax at or to the following address:

You agreed to these conditions in a letter dated June 1, . If any one of these conditions is not satisfied, the waiver is retroactively null and void.

The conditional waiver of the minimum funding standard has been granted in accordance with section 412(d) of the Internal Revenue Code and section 303 of the Employee Retirement Income Security Act of 1974 ("ERISA"). The amount for which the conditional waiver has been granted is the contribution that would otherwise be required to reduce the balance in the funding standard account to zero as of June 30,

The Company is a diversified family owned business which operates at three locations and has three separate business lines. The Company was started in as a supplier of well equipment to producers in a number of states. Around the mid-1980's prices hit record lows, forcing the Company to scale back store locations and to end its role as an equipment supplier. About this same time, the Company purchased the assets of another firm engaged in

With a need for further diversifications, the Company started a in
In , a was started which currently operates :
operating authority. Today, the Company provides :

The Company's sales have continued to grow slightly the last three years but continued competitive pressure on margins has forced a lower gross margin on all sales. The tractor division has suffered significantly and the Company has had net operating losses during the most recent three-year period. Effective June 30, , accruals to the Plan ceased.

While the Company has suffered a substantial business hardship, the hardship appears temporary and the Company is committed to funding the Plan. Hence, the waiver of the minimum funding standard has been granted to the Plan for the plan year ending June 30, , subject to the conditions stated above.

Your attention is called to section 412(f) of the Code and section 304(b) of ERISA which describe the consequences that would result in the event the plan is amended to increase benefits, change the rate in the accrual of benefits or to change the rate of vesting, while any portion of the waived funding deficiency remains unamortized. Please note that any amendment to a profit sharing plan or any other retirement plan (covering employees covered by this plan) maintained by the Company, to increase the liabilities of those plans would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA. Similarly, the establishment of a new profit sharing plan or any other retirement plan by the Company (covering employees covered by this plan) would be considered an amendment for purposes of section 412(f) of the Code and section 304(b) of ERISA.

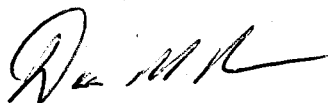
This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

When filing Form 5500 for the plan year ending June 30, , the date of this letter should be entered on Schedule B (Actuarial Information). For this reason, we suggest that you furnish a copy of this letter to the enrolled actuary who is responsible for the completion of the Schedule B.

We have sent a copy of this letter to the Manager, EP Classification in to the Manager, EP Compliance Unit in and to your authorized representative pursuant to a power of attorney on file in this office.

If you have any questions concerning this matter, please contact :

Sincerely,



Donna M. Prestia, Manager
Employee Plans Actuarial Group 2